# AMENDED IN SENATE AUGUST 2, 2016 AMENDED IN ASSEMBLY APRIL 7, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

No. 2781

# **Introduced by Assembly Member Eduardo Garcia**

(Coauthor: Senator Hueso)

February 19, 2016

An act to amend Section 71118 of, and to add Section 71119 to, of the Public Resources Code, relating to environmental justice.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2781, as amended, Eduardo Garcia. Supplemental environmental projects.

Existing law requires each board, department, and office within the California Environmental Protection Agency that has enforcement authority to establish a policy on supplemental environmental projects that benefits disadvantaged-communities and that includes, communities, as defined. Existing law requires that policy to include among other things, allowing the amount of a supplemental environmental project to be up to 50% of the enforcement action.

This bill would require the policy to also include a requirement an assurance that no less than 10% of an the enforcement action monetary penalty be deposited in the Supplemental Environmental Projects in the Disadvantaged Communities Fund, which would be created by the bill. The bill would require the moneys in the fund, upon appropriation, to be used to implement environmental projects in disadvantaged communities, as specified. penalties received by each board, department, and office within the agency is allocated to supplemental environmental

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projects in disadvantaged communities. The bill would require each board, department, and office within the agency to compile and submit specified information to the agency and would require the agency to consolidate that information and post it on the agency's Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the 2 following:

- (a) Many communities across California are located in areas
   disproportionately impacted from multiple sources of pollution,
   including air and water pollution, leading to higher rates of
   respiratory illness, hospitalizations, and premature death.
  - (b) These environmentally impacted communities, also known as environmental justice communities, need resources to appropriately address environmental health impacts and to implement community-led solutions.
  - (c) One way that environmental justice communities can see direct environmental and public health benefits in their neighborhoods is through the implementation of supplemental environmental projects, which allow entities in violation of environmental laws to voluntarily undertake environmental projects as part of a settlement of an enforcement action.
  - (d) Currently, pursuant to Chapter 585 of the Statutes of 2015, boards, departments, and offices within the California Environmental Protection Agency have been directed to develop policies on supplemental environmental projects, and those policies authorize up to 50 percent of an enforcement action brought under the jurisdiction of a board, department, or office within the agency be a supplemental environmental project.
  - (e) Supplemental environmental projects bring needed investments to communities that bear the environmental damage of environmental violations in which the damage is done.
  - (f) Because the individual regulatory agency is best able to evaluate the best projects to benefit those communities in which the damage was done, that agency should oversee supplement environmental projects within its jurisdiction.

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### SECTION 1.

- SEC. 2. Section 71118 of the Public Resources Code is amended to read:
- 71118. (a) For purposes of this section, the following terms have the following meanings:
  - (1) "Agency" means the California Environmental Protection Agency.
  - (2) "Disadvantaged community" means a community identified pursuant to Section 39711 of the Health and Safety Code.
  - (3) "Supplemental environmental project" means an environmentally beneficial project that a person subject to an enforcement action voluntarily agrees to undertake in settlement of the action and to offset a portion of a civil penalty.
  - (b) Each board, department, and office within the agency that has enforcement authority shall establish a policy on supplemental environmental projects that benefits disadvantaged communities. The policy shall include, but need not be limited to, all of the following:
  - (1) A public process to solicit potential supplemental environmental projects from disadvantaged communities.
  - (2) Allowing the amount of a supplemental environmental project to be up to 50 percent of the enforcement action brought under the jurisdiction of a board, department, or office within the agency and requiring 10 percent of the enforcement action monetary penalty be deposited in the Supplemental Environmental Projects in the Disadvantaged Communities Fund, created pursuant to Section 71119. agency.
  - (3) An annual list of potential supplemental environmental projects that may be selected to settle a portion of an enforcement action under the jurisdiction of a board, department, or office within the agency.
  - (4) A consideration of the relationship between the location of the violation and the location of the proposed supplemental environmental project.
  - (c) Each board, department, and office within the agency that has enforcement authority shall ensure that no less than 10 percent of the enforcement action penalties received from actions brought pursuant to the jurisdiction of the board, department, or office within the agency is allocated to supplemental environmental projects in disadvantaged communities.

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(d) (1) Each board, department, and office within the agency that has enforcement authority shall compile and submit to the agency the information required pursuant to subdivision (b).

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- (2) The Secretary for Environmental Protection shall consolidate the projects compiled pursuant to paragraph (3) of subdivision (b) information received pursuant to paragraph (1) into one list and post that list on the agency's Internet Web site.
- SEC. 2. Section 71119 is added to the Public Resources Code, to read:
- to read:

  71119. The Supplemental Environmental Projects in the Disadvantaged Communities Fund is hereby created. All moneys deposited in the fund shall be available, upon appropriation by the Legislature, to implement environmental projects in disadvantaged communities, as identified pursuant to Section 39711 of the Health and Safety Code. Priority shall be given to projects on the list compiled pursuant to subdivision (c) of Section 71118.